

Remarks by President Biden On Increasing the Supply of Semiconductors And Rebuilding Our Supply Chains

• [Speeches and Remarks](#)

South Court Auditorium

Eisenhower Executive Office Building

11:29 A.M. EST

THE PRESIDENT: Well, you've introduced a kid from Scranton, Pennsylvania. I didn't (inaudible) either, so. (Laughter.) It's great to be with you.

Pat, thanks for the introduction. And this is a truly historic investment in America, in American workers.

This group of Washington reporters have heard me say many times: It's never been a good bet to bet against America. We have the most qualified folks in the world here in the United States of America.

And I want to thank Sherrod Brown and Rob Portman — two senators who deserve an enormous amount of credit for us getting to this place right now, bipartisanship. The idea that we can work together is only just beginning to dawn on people here, I think.

And I want to thank Commerce Secretary Gina Raimondo, who, from day one, has been helping lead our efforts to strengthen American manufacturing in America and American innovation.

Look, Pat just laid out today's big announcement by one of America's most important companies.

It's a historic investment for Ohio and one of the largest investments in semiconductor manufacturing in American history.

A brand new \$20 billion campus outside of Columbus, Ohio. Seven thousand construction jobs. Three thousand full-time jobs.

And I was kidding Pat earlier. I said, "I may need a job." He said, "Well, it's not bad. You start over at 100,000 bucks." (Inaudible.) But I got to get some training. (Laughter.)

But, look, at the singular — look, to be able to say, "Made in Ohio. Made in America." It's what we used to always be able to say 25, 30 years ago. That's what this is about.

But folks at home might be wondering: Why such a big deal for manufacturing something so small — the size of a postage stamp? Why is that so important?

Well, semiconductors are small computer chips that power virtually everything in our lives — your phone, your car, your refrigerator, your washing machine, hospital equipment, the Internet, the electric grid, and so much more.

And here's the deal. America invented these chips. America invented these chips. And federal research and development led to the creation of these chips — taxpayer dollars. These chips helped power NASA's mission to the moon.

And federal investment helped bring down the cost of making chips — to build a market and an entire industry. As a result, over 30 years ago, America had about 40 percent of the global production.

But since that time, something happened. American manufacturing — the backbone of our economy — got hollowed out. Companies moved jobs and production overseas, especially from the industrial Midwest.

Decades ago, we used to invest 2 percent of our gross domestic product in research and development. Let me say that again: We invested 2 percent, decades ago, of our gross domestic product in pure research and development.

Today, it's less than 1 percent.

We were ranked number one in the world in R&D. But guess what? We now rank number nine.

China was number eight in the world three decades ago. Now they're number two.

And other countries are closing in fast.

As a result, today we barely produce 10 percent of the computer chips, despite being the leader in chip design and research. And we don't have the ability to make the most advanced chips now — right now.

But today, 75 percent of production takes place in East Asia. Ninety percent of the most advanced chips are made in Taiwan.

China is doing everything it can to take over the global market so they can try to outcompete the rest of us and have a lot of applications — including military applications.

Folks, look, during this pandemic, your pocketbook felt the consequences: inflation, higher prices. Whenever a factory shuts down in one part of the world, the production and shipments of goods to shops and homes and businesses all over the world gets disrupted.

COVID-19 has compounded that problem many times over, especially with these computer chips. As a result, everything from cars to dishwashers are delayed getting into showrooms and customers, just as demand for them is up because the economy is growing.

And because supply is low — because supply is low, we find ourselves in a position that we're really behind the curve. Prices are going up.

In fact, one third of the recent price increases that have been seen nationally are due to car prices, as mentioned earlier.

You know, I cannot — I'm going to turn to the boss here. What percentage of chips are needed to build the cars today? And what's going to happen in the next 5 to 10 years?

MR. GELSINGER: Four percent today. Twenty percent by 2030.

THE PRESIDENT: Twenty percent by 2030 — is going to be required to — that's — that's what the car is made of — 20 percent of it — it's going to be these computer chips.

As historic as today's announcement is, we need to be — this is just the beginning. This is an important part of today's message. Right now, there's a bill in front of the United States Congress, because the two men behind me are pushing it: U.S. Innovation and Competition Act, which includes several of the ideas that I proposed last year that would accelerate the progress in a big way.

The bill calls for — will authorize nearly \$90 billion for research and development, manufacturing, and supply chains. Look — including empowering the National Science Foundation to bring together local communities, universities, community colleges, private companies, and more — and more partnerships like this.

Any, by the way, speaking of community colleges — you all know this; the Washington press corps does at least — my wife is a community college professor. She said it's the best-kept secret in America.

This is a community college graduate who skipped his senior year in high school, went to local community college, and then went on. My wife has got to meet you, man. (Laughter.)

Look, this includes \$52 billion incentive for more companies to build their manufacturing facilities here in the United States of America.

I want other cities and states to be able to make announcements like the one being made here today. And that's why I want to see Congress pass this bill right away and get it to my desk.

Let's get another historic piece of bipartisan legislation done. Let's do it for the sake of our economic competitiveness and our national security. Let's do it for the cities and towns all across America working to get their piece of the global economic package. And let's do it for the dignity and pride of this country and the American worker.

I made clear while I was running for president and from day one of this administration: We are going to invest in America. We're investing in American workers. We are going to stamp everything we can "Made in America," especially these computer chips.

Vice President Harris and I, along with Secretary Raimondo and our entire team, have met with members of Congress in both parties because this is a bipartisan issue. We've brought business and labor together to see where we could ramp up production and help resolve bottlenecks.

Soon after I was sworn in, I signed an executive order to revitalize American manufacturing and making our supply chains more resilient to disruptions, whether it's a pandemic, climate change, or cyberattacks.

In some cases, building resilience will mean increasing our production here at home.

In others, it'll mean working more closely with our trusted friends and partners — nations that share our values — so that our supply chains do not get used against us as leverage.

In fact, I have made this clear to President Xi of China: We need not have confrontation, but we have a stiff economic and technological competition. And we're going to insist everyone, including China, play by the same rules.

We're going to invest whatever it takes in America, in American innovation, in America's communities, and in American workers. That's exactly what we're doing here today.

As a result of the progress we've made — record economic growth, record job growth, a faster economic recovery than any other nation on Earth. We are better positioned globally than we have been in a long, long time.

Intel's historic investment is one example. It's not the only one. In fact, last year, the world's largest semiconductor companies, including Samsung and Micron, invested — committed \$80 billion to build new facilities in the United States, in Arizona, New York, Oregon, Texas.

And why are these companies choosing us — the United States?

I think it's because they know we have the most productive workers, the best research universities, a dynamic venture capitalist system, and a rule of law that protects intellectual property.

I think we're better positioned than any nation — any — any nation to seize these opportunities.

But we have to keep it going. And I think our best days are ahead of us.

Last year, we took a big step toward that front with the Bipartisan Infrastructure Law. And I want to thank Senator Brown and Senator Portman for their hard work in getting that done.

That law is going to upgrade everything from roads, bridges, ports, airports, railways, transit to make our economy move faster and reduce prices for families.

This is going to create better jobs for millions of Americans all over this country — rural, urban, suburban.

And it means America is the most attractive place for companies like Intel to invest and make their products.

Because of the law, this year, for the first time in two decades, our infrastructure investment will grow faster than China's — for the first time in decades.

This is a game changer.

Now — now we have to build on that progress. And that's what this today is about. It includes Congress acting on our competition bill, which I mentioned earlier. And my administration is going to keep using all of the tools we have to re-shore our supply chains, strengthen our economic resilience, and make more in America.

Because at the end of the day, this is about national security, economic security, and it's about jobs — good-paying, decent jobs you can raise a family on. Jobs. Jobs now. Jobs for the future. Jobs in every part of the country. Jobs that show — that bring the industrial Midwest back.

It shows the world that we're always going to fight for American workers.

In fact, these facilities are a symbol of what America is all about. Ph.D engineers, scientists, alongside community college graduates — as my wife says, they're the best-kept secret in America; Pat went on beyond that. But people of different ages, races, backgrounds working side by side.

They're all working together to do the same thing: the most sophisticated manufacturing we have ever seen.

In a tiny computer chip the size of a stamp, they're showing what I've always believed: There is nothing — nothing beyond our capacity as a nation if we do it together as the United States of America.

And I want to thank Pat, again, and Intel. I can't wait to see — see this — this next visit that you're about to have in — in Ohio today.

And I want to make one last comment. You know, folks — and I asked Pat this, but I've asked many other corporate leaders around this nation this. When the American — when the United States of America — when the government makes a decision to invest considerable amounts of resources in a new industry or in an area that we need to build up, that encourages business to say, "If they're doing it, this is going to happen. I'll get in too."

I asked Pat whether that was part of the judgment. Am I misleading — am I misstating at all?

(Mr. Gelsinger makes a "thumbs up" gesture.)

And it is — but I just want everybody to understand when — you know, I'm sure there were people who looked at both my colleagues who helped lead the fight in this CHIPS Act we're trying to pass, wondering, "You're going to spend all that money?" That money attracts money. It attracts investment. It demonstrates we're all in.

So, folks, I'm going to say what I've always said: There's not a damn thing this country can't do — not a single thing we can't do. You've heard me say it before, and I'm going to say it again.

I was talking to the — I spent about an hour and a half today with the Japanese Prime Minister on a visual — on a virtual meeting with our staffs. And I told him about when President Xi asked me can I define "America" when I was in A- — when I was in China with him. I said, "Yeah. One word. One word: possibilities. Possibilities."

We can do anything if we put our mind to it.

God bless you all. And may God protect our troops.

And by the way, the reason we're not going to have any time for questions now is these guys got to get quickly on a plane and go out and do a major announcement in Ohio. And you guys will ask me all about Russia and not about anything having to do with chips.

Q I have a question about this, if you could. How are we going to guarantee the raw materials will be available, since many of them are — come from without the United States, including some countries like Afghanistan that are in turmoil?

THE PRESIDENT: Well, we're working on that. There's a lot not in Afghanistan. There's a lot of — we've been finding out and moving on directions to find where the raw materials are. We're making contracts to make sure we have access to them. And we are doing things that — we're

finding out here in the United States, we some — have assets we didn't know we had, in terms of raw materials.

Thank you.

11:44 A.M. EST